

Budget Brief – Minimum School Program Overview

PED BB-04.0

SUMMARY

The Minimum School Program (MSP) is the primary funding source for Utah's school districts and charter schools. A total of five programs collectively comprise the MSP, the Basic School Program, the Related to Basic Programs, Special Populations, Board and Voted Leeway Programs, and Other Programs. Program revenues support educational programs in the school districts and charter schools reaching over 526,000 students.

Budget Brief Organization

Two additional Budget Briefs provide detail on issues and recommendations pursuant to the FY 2007 Supplemental and FY 2008 Minimum School Program budgets. The first brief concentrates on issues and recommendations relating to the Basic School Program and the second brief details the remainder of the Minimum School Program. Each Budget Brief will highlight additional Issue Briefs that provide further details on specific budgetary items.

PROGRAM BUDGET

The FY 2008 base budget for the Minimum School Program totals \$2,592,126,800. Since FY 2004, the total MSP has increased approximately 29 percent. Student enrollment over the same time frame has increased approximately 10.9 percent.

Revenues supporting programs within the MSP come from three primary sources. The Uniform School Fund provides the largest source of program revenues. The FY 2008 base budget includes \$2,068,978,200 in Uniform School Fund revenues. Local revenue sources provide an additional \$508,148,600 to support the MSP. Four local property tax revenues levied by school districts make up the local contribution to the MSP. These levies include the Basic Levy, the Voted Leeway, the Board Leeway, and the Board Leeway – Reading Program. Finally, the revenue generated from school trust lands provides \$15,000,000 to the FY 2008 base budget. Trust lands revenue is appropriated from a restricted account in the Uniform School Fund titled the Interest and Dividends Account.

Figure 1: Minimum School Program - Budget History

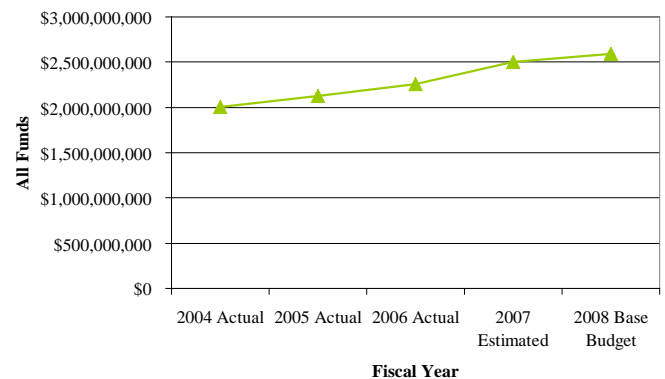


Figure 2: Minimum School Program - Fall Enrollment History

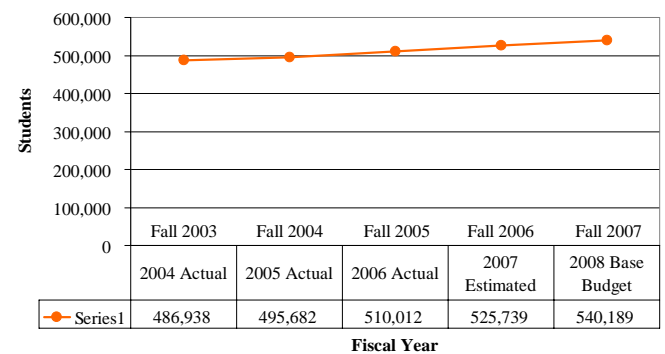
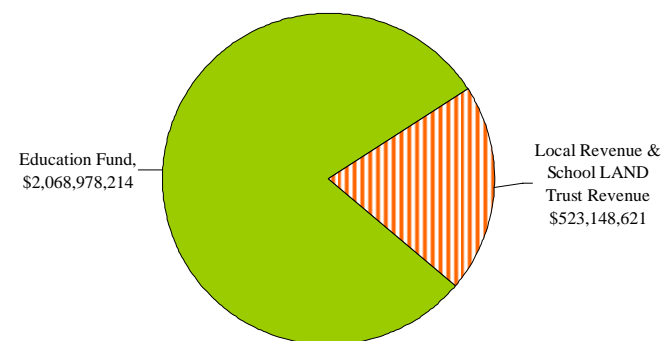


Figure 3: Minimum School Program - FY 2008 Funding Mix



REVENUE EQUALIZATION

Utah statute recognizes that “all children of the state are entitled to reasonably equal educational opportunities regardless of their place of residence in the state and of the economic situation of their respective school districts or other agencies” (UCA 53A-17a-102). The MSP is a state supported program that equalizes state revenues, as well as the majority of local property tax revenue, between richer and poorer school districts. Charter schools also participate in the equalized MSP revenue distribution.

Formulas distributing MSP revenues function to equalize revenue among school districts and charter schools. The MSP established a mechanism for the state and local school districts to share in the cost of educating Utah’s school children. Statute states that “school districts should be required to participate on a partnership basis [with the state] in the payment of reasonable portion of the cost of a minimum school program” (UCA 53A-17a-102). As a result, each school district assesses a minimum basic property tax in order to receive state funding allocated through the MSP (UCA 53A-17a-135).

The Basic Levy constitutes the local contribution to the Minimum School Program. Generated property tax revenue supports the Weighted Pupil Unit driven programs found in the MSP – Basic Program. The state Uniform School Fund allocation to the Basic Program equals the difference between the proceeds of the Basic Levy of a school district and the cost of the Basic Program for that school district. Further information on revenue equalization may be found in Chapter 2 (Pg. 7 – 9) of the COBI and the Issue Brief titled “Property Taxes and the State.”

STUDENT ENROLLMENT

Fall 2007 (FY 2008) enrollment projections indicate that over 540,100 students will likely enroll in Utah’s public schools, an increase of 2.8 percent over fall 2006. This increase represents more than 14,500 new students enrolling in district and charter schools throughout Utah.

The Public Education – Total Enrollment table provides a history of fall enrollments since 1999. Over the course of the past 8 years, student enrollment has increased by more than 64,200 students. This represents an increase of 13.5 percent.

Enrollment projections conducted by the Utah State Office of Education in January 2005 indicated that student enrollment will continue to increase through 2015. These estimates indicate that total enrollment in Utah’s public schools may exceed 652,600 students by 2015, an increase of more than 112,400 students or 20.8 percent over the projected 2007 fall enrollment.

MINIMUM SCHOOL PROGRAM TABLE

Please refer to the table titled Minimum School Program – 2007 General Session: FY 2008 Base Budget (H.B. 3 Minimum School Program Base Budget Amendments) for specific program funding levels. Program descriptions may be found in the Public Education – Compendium of Budget Information (COBI).

Public Education - Total Enrollment Fall 1999 to Projected Fall 2007		
Year	Total Fall Enrollment	Percent Change Over Prior Year
1999	475,974	
2000	475,269	-0.1%
2001	477,801	0.5%
2002	481,143	0.7%
2003	486,938	1.2%
2004	495,682	1.8%
2005	510,012	2.9%
2006	525,660	3.1%
2007	540,189	2.8%
Source: Utah State Office of Education, Finance and Statistics Section. Based on Common Data Committee Estimates. Prepared by: Office of the Legislative Fiscal Analyst (12/06BL).		